

Analysys of potential indonesian Coffee

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Analysis of Potential ²² Indonesian Coffee Exports to the United States Market

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ABSTRACT

² Coffee is one of the export commodities that plays an important role in the Indonesian economy, where coffee exports are the country's foreign exchange income. The country that ² is the biggest export destination for Indonesian coffee ¹ is the United States. The demand for Indonesian coffee exports to the United States market has fluctuated from year to year. Despite fluctuations in each year, ¹ the demand for Indonesian coffee exports to the United States market continues to increase ² due to the increasing number of coffee consumers in the United States every day. The high demand for coffee poses a variety of obstacles, both domestic and foreign barriers, so the Indonesian government makes a strategy to keep the potential ² of Indonesian coffee exports to the US market to continue.

Keywords: Exports, Indonesian Coffee, Economic, International Trade, United State.

1. Introduction

Indonesia as an agricultural country has enormous potential in agriculture. The plantation subsector is one of the leading subsectors which has several commodities that still need to be developed including in the fields of cultivation, processing and marketing. Plantation commodities included in export commodities are therefore very much affected

by commodity competitiveness and changes that occur both domestically and in the world. Therefore in the preparation of development plans in plantations it is very much determined by the position of Indonesia's plantation commodities on world production and position. One of the plantation subsectors that has an important role as a foreign exchange earner is the commodity of coffee. Coffee is a seed-shaped freshener made from coffee plants.

The coffee plant is a small tree called *Perpugenus Coffeadari Familia Rubiaceae*. Coffee plants, which generally come from the African continent, including the family Rubiaceadan and the type of *Coffea*. Coffee has many varieties. Around the world there are now around 4,500 types of coffee. In general, there are two types of coffee beans, namely arabica (best quality) and robusta. History records that the discovery of coffee as a nutritious and energy drink was first discovered by the Ethiopians in the African continent around 3000 years ago (1000 BC). Coffee then continued to grow until now it is one of the most popular drinks in the world consumed by various groups of people.¹

Coffee is a commodity that has an important role in the Indonesian economy. Since it was first exported to the Netherlands and sold to the Amsterdam coffee auction in 1712 slowly but surely it has made coffee the main commodity of Indonesia's exports. Interested in Indonesian coffee commodities are also increasing. The United States, Japan, Germany, Italy, and Malaysia are the main export destination countries of Indonesian coffee.²

The United States of America is the destination of Indonesia's main market share in coffee exports, coffee production from Indonesia is also a commodity that has competitiveness and lower prices. This is proven by the United States of America which is a loyal consumer from Indonesia for the coffee commodity and also the taste of coffee from Indonesia which is very popular with market tastes in the United States so that

¹ Lempira Christy Elisha, "Analisis Ekspor Kopi Indonesia Ke Amerika Serikat Dengan Pendekatan *Error Correction Model* (ECM) Tahun 1981-2013".

² Khaerul Mahesa Priyanto, "Posisi Daya Saing Serta Penentu Dari Ekspor Kopi Di Indonesia".

making coffee from Indonesia is premium coffee in the United States as "java" coffee which is synonymous with high-quality coffee by the people of the United States.³

Based on the development of Indonesian coffee exports according to the destination countries, the tendency of coffee exports to various export destination countries fluctuates every year, this is thought to be caused by the economic conditions of the importing country or the condition of the Indonesian economy starting from price, production and quality. The decline in demand for Indonesian coffee exports was allegedly due to high prices in the international market, there was an increase and decrease in the rupiah exchange rate against the dollar and the country's economic growth.⁴

The United States is still the largest importer country in Indonesia, although the demand for coffee exports has fluctuated annually. The advantages of the products produced greatly affect the amount of exports and the large value of exports. As one of the largest coffee exporters, the quality of coffee exported is the main focus of the Indonesian government.

2. Conceptual Foundation

In this study, the author will use a qualitative approach. Qualitative research is a model developed by Mazhab Baden that synergizes with the flow of phenomena of philosophy that requires the implementation of research based on natural settings so that it is often referred to as naturalistic methods.⁵

International Relations is the study of relations between countries including the role of a number of countries, government organizations (IGOs), international non-governmental organizations (INGOs), non-governmental organizations (NGOs), and multinational companies (MNCs). International relations uses various fields of science such as economics, history, international law, philosophy, geography, social work,

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³ Edo Soviandre, M. Al Musadieq dan Dahlan Fanani, "Faktor-Faktor Yang Mempengaruhi Volume Ekspor Kopi Dari Indonesia Ke Amerika Serikat" Studi pada Volume Ekspor Kopi Tahun 2010-2012, Volume 14 No 2 Tahun 2011.

⁴ iandari Kusandrina, "Analisis Faktor-Faktor Yang Mempengaruhi Ekspor Kopi Di Indonesia.

⁵ Muhammad Idrus, Metode Penelitian Ilmu Sosial: Pendekatan Kualitatif dan Kuantitatif (Jakarta: Erlangga, 2009), hlm. 23.

¹³ sociology, anthropology, criminality, psychology, gender studies, and cultural sciences. ²⁰ International relations also cover very broad issues including globalization, state sovereignty, international security, environmental sustainability, nuclear proliferation, nationalism, economic development, global finance, terrorism, organized crime, human security, foreign interventionism and human rights.

According to ¹⁹ J.C. Johari International Relations is a study of interactions that take place among sovereign countries, and also ¹⁹ studies of non-state actors whose behavior has an impact on the tasks of the State⁶.

2. 1. Theory of International Trade

International commodity trade has become an interesting issue to be discussed ¹⁰ in the study of International Relations, especially the study of international political economy. One of the country's interactions in the international system can be seen from the export-import trade cooperation with a production. International trade can occur because of the superiority of a product that is inherent and not owned by another country. In this position the country that exports an item has an absolute advantage in the item, and other countries as importers need the goods because they cannot produce themselves.⁷

The purpose of the country in economic interaction through international relations is an effort to achieve national interests. One of the country's efforts to fulfill its national interests can be seen from economic benefits through international trade. Economic benefits through international free trade are an important foundation for achieving the national interests of a country.⁸

¹⁶ International trade is trade carried out by residents of a country with residents of other countries on the basis of mutual agreement. The population in question can be in the form of individuals (individuals with individuals), between

²⁸ ⁶ <http://duniabaca.com/definisi-hubungan-internasional-menurut-para-ahli.html>.

⁷ Dominick, Salvatore 2013. International Economics: "The Law of Comparative Advantage More Than Two Nations", 11st Ed. Hlm. 54-55.

⁸ Robert Gilpin 2001. Global Political Economy: "Understanding the International Economic Order" New Jersey: Princeton University Press. hlm. 44-45.

individuals and the government of a country or government in one country and the government of another country. In many countries, international trade is one of the main factors to increase GDP (Gross Domestic Product).

2.2 Absolute Theory of Excellence

Adam Smith's model focuses on absolute benefits which state that a country will get absolute benefits because the country is able to produce goods at lower costs than other countries. According to this theory if the price of goods of the same type has no difference in various countries, there is no reason to conduct international trade.⁹

That in order to achieve perfect profits, business people can maximize the division of labor with the aim of increasing the quantity with identification of the reasons for this developer, namely: (1) improvement in agility in certain jobs; (2) saving production and work time; and (3) the discovery of new machines that facilitate and limit labor and allows producing a lot of production. This will have an impact on better income, and the big effect is creating rapid economic growth in the country.¹⁰

The state can be said to have an absolute advantage if the country specializes in producing certain commodities compared to other countries. There are several assumptions of the theory of absolute excellence or commonly referred to as the theory of absolute excellence, namely:

1. The production factor used is only labor
2. The quality of goods produced by the two countries is the same
3. Exchange is done barter without using money
4. Transportation costs are eliminated¹¹

⁹ https://id.wikipedia.org/wiki/Perdagangan_internasional#Model_Adam_Smith.

¹⁰ Schumacher, 2012. "Adam Smith's theory of absolute advantage and the use of doxography in the history of economics", Hlm 58-59.

¹¹ <https://portal-ilmu.com/teori-perdagangan-internasional/>.

2.3. Export Theory

⁷ Exports are an important part of international trade. Export can be interpreted as the total sales of goods that can be produced by a country, then traded to other countries with the aim of obtaining foreign exchange. A country can export the goods it produces to the country others that do not produce goods produced by the exporting country¹²

Export is one part of international trade. In this case, exports have the meaning of trading activities carried out to sell goods or services abroad, in an effort to obtain profits. Indonesian people themselves are familiar with trade terms and international trade theory according to experts. Even most of our people also work as traders, both small and medium scale traders to large scale. This is why trade has become one of the most influential industries for the country's economy.¹³

By looking at the conditions above, of course exports themselves have important meanings and are not a factor in inflation. In this case, exports will be able to show superior products that are one source of the country's income and foreign exchange. On the other hand, exports are also one indicator of a country's economic growth. Achieving high export figures shows that our country has a quite dominant influence in the market and international trade.

In its own export, of course, each country will export superior goods owned by each country, where the goods are difficult to obtain by other countries, but in that country has a high level of production, Indonesia as one of the countries that has superior natural resources where the export of Indonesian commodities is one of the ways to increase economic growth and to fulfill its national interests, and one of them being Indonesia's leading commodity is coffee.

3. Discussion and Findings

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¹² ²¹ selyne Hutabarat, Transaksi Ekspor Impor, Jakarta, Erlangga, 1989, edisi kedua, Hlm 2.

¹³ <https://dosenekonomi.com/ilmu-ekonomi/teori-ekspor-menurut-para-ahli>.

3.1 ³⁷ History of Coffee in Indonesia

The history of coffee is said to have originated in the 9th century in Ethiopia. However, the cultivation and trade of new coffee became popular in the 15th century by Arab traders in Yemen. Coffee reached Europe in the 17th century but could not grow well there. The European nations then used their colonies to cultivate coffee plants. Indonesia, which was occupied by the Netherlands, had a large share in the history and distribution of coffee in the world.¹⁴

Many people think that coffee is a native Indonesian commodity, even though coffee is not native to Indonesia. Coffee plants originated from Ethiopia which were then spread by Arabs to penetrate European and Asian markets. Coffee entered Indonesia during the Dutch colonial period which colonized and launched the Cultivation System.

³ The history of coffee in Indonesia began in 1696 when the Dutch brought arabica type coffee from Malabar, India, to Java. They cultivated the coffee plant in Kedawung, a plantation located near Batavia. But this effort failed because the plant was damaged by an earthquake and flood. The second attempt was made in 1699 by bringing coffee tree cuttings from Malabar. In 1706 coffee samples produced from plants in Java were sent to the Netherlands to be studied at the Amsterdam Botanical Gardens. The result is great success, the coffee produced has very good quality. Furthermore, these coffee plants are used as seeds for all plantations developed in Indonesia. The Netherlands also expanded its coffee cultivation area to Sumatra, Sulawesi, Bali, Timor and other islands in Indonesia.¹⁵

3.2 Development of Indonesian Coffee

Indonesia as an agricultural country has enormous potential in agriculture. The plantation subsector is one of the leading subsectors which has several

¹⁴ <https://www.sasamecoffee.com/kopipedia/sejarah-dan-jenis-kopi/#>.

¹⁵ <https://jurnalbumi.com/knol/sejarah-kopi/>.

commodities that still need to be developed including in the fields of cultivation, processing and marketing. Plantation commodities are therefore very much affected by commodity competitiveness and changes that occur both domestically and in the world. The plans for plantations are very much determined on commodities in world production and position. One of the plantation subsectors that has ⁶ an important role as a foreign exchange earner is the commodity of coffee. Coffee is a seed-shaped freshener made from coffee plants.¹⁶

The development of coffee plants in the country continues for many years after the nationalization of Dutch coffee in Indonesia. Even today, one of the cities in the northern part of the island of Sumatra, precisely the Gayo Highlands in the province of Aceh confirms its position as the center of Arabica coffee production with an area of 46 of the most extensive land in Asia.¹⁷

One aspect that must be considered in the effort to develop coffee commodities is to pay attention to the conditions of each region, because by looking at the conditions of each region it will be known which areas are the commodity base of coffee. Thus the aspect of regional planning is a very important thing because each region has strategic values that are in accordance with the potential of the resources contained in each region.¹⁸

Globalization will lead to increasingly fierce competition, so that only countries that have strong competitiveness can survive. So that it requires coffee producers in the world, especially Indonesia to be able to meet consumer needs in a way that is more satisfying than what is done by competitors. Brazil, Vietnam and Colombia are Indonesia's main competitors in world coffee exports.¹⁹

Coffee plantations in Indonesia are managed in three forms of exploitation namely the ²⁹ People's Plantation (PR), the State Large Plantation (PBN) and the

¹⁶ Devvany Gumulya dan Ivana Stacia Helmi, "Kajian Budaya Minum Kopi Indonesia", Volume 13 Nomor 2 Tahun 2017. ³⁵

¹⁷ Mutiara Sari, "Fluktuasi Ekspor Kopi Indonesia ke Jerman Tahun 2010-2014".

¹⁸ Ati Kusmiati dan Reni Windiarti, "Analisis Wilayah Komoditas Kopi di Indonesia", Volume 5 Nomor 2 Tahun

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¹⁹ Tambunan, T. 2004. Globalisasi dan Perdagangan Internasional. Penerbit Ghalia Indonesia. Bogor.

Large Private Plantation (PBS). In general, the area of coffee plantations in Indonesia from year to year continues to show an increase, especially in people's coffee plantations. Whereas in private and state plantations there is no significant development.²⁰

Problems faced in coffee development is partly due to this plant is 96% cultivated by the people the cultivation technique is not in accordance with it good agriculture practice (GAP), low plant productivity because of use the original seeds, weak farmer institutions, received value added farmers are low because some are exported in the form of coffee beans, and limited capital. Despite this expectation of development this commodity is quite large because of the system coffee cultivation will be adjusted to GAP, efforts to increase coffee bargaining position Indonesia on the international market, increasing competitiveness of Indonesian coffee through efforts sustainable coffee plantation certification.²¹

Coffee consumption of the Indonesian people is still very low at 0.8 kg / capita / year. while some other countries like Brazil are 6 kg / capita / year. Norway 10.6 kg / capita / year. even Finland has reached 11.4 kg / capita / year. The low coffee consumption of the Indonesian people is also an opportunity to increase the domestic market share along with the growing growth of the economy. Meanwhile, world coffee demand is very large and shows an increasing trend. Data from the International Coffee Organization shows that the trend of increasing world coffee consumption has occurred since 2010 with an average increase of 2.5% / year. In 2020, it is estimated that world coffee needs will reach 10.3 million tons.²²

3.3 Potential coffee types to export

Coffee is one of the results of plantation commodities that have high economic value among other plantation crops and play an important role as a

²⁰ Elvin Desi Martauli, "Analisis Produksi Kopi Indonesia", Volume 1 Nomor 2 Tahun 2018.

²¹ Ibid.

²² Bedy Sudjarmoko, "Prospek Pengembangan Industrialisasi Kopi Indonesia", Volume 1 Nomor 3 Tahun 2013.

source of foreign exchange. Coffee not only plays an important role as a source of foreign exchange but is also a source of income for no less than one and a half million coffee farmers in Indonesia.²³

Significantly, coffee bean production in Indonesia continues to increase, but the quality of the resulting coffee processing is generally still low. Therefore, to obtain good quality coffee beans, proper post-harvest handling is needed by doing each stage correctly. The roasting process is one of the important stages in processing coffee, which is for the formation of aroma and distinctive taste of coffee in the coffee bean. However, currently there is still little data on how the proper roasting process is to produce quality roasted coffee products, with the need for instruments to assess the quality of the degree of sangria.²⁴

Coffee is a drink made from steeping coffee beans and mashed into powder. Coffee is one of the commodities in the world that is cultivated by more than 50 countries. Four commonly known varieties of coffee trees are Arabica Coffee (*Coffea arabica*), Robusta Coffee (*Coffea canephora*), Liberika (*Coffea liberica*), and Excelsa Coffee (*Coffea Dewevrei*).

3.4 Indonesian Coffee Export Terms

Indonesia is one of the developing countries that adheres to a small open economic system, meaning that there is international trade, namely exporting but not as a price maker so that it is inseparable from foreign trade. Countries that carry out foreign trade can increase their income by exporting raw materials, semi-finished goods, or finished goods or directly using them.²⁵

There are several conditions imposed by the Indonesian government on export activities including:

²³ Hardjo, P. 2012. *Panduan Budidaya dan Pengolahan Kopi Arabika dan Robusta*. Penebar Swadaya, Jakarta.

²⁴ Bambang Marhaenanto, Deddy Wirawan Soedibyo, dan Miftahul Farid, "Penentuan Lama Sangrai Kopi Berdasarka Variasi Derajat Sangrai Menggunakan Model Warna RGB Pada Pengolahan Citra Digital (Digital Image Processing)", Volume 9 Nomor 2 Tahun 2015.

²⁵ Rexsi Nopriyandi dan Haryadi, "Analisis Ekspor Kopi Indonesia" Volume 12 Nomor 1 Tahun 2017.

1. Coffee exports can only be done by companies that have been recognized as Registered Coffee Exporters (ETK) and Temporary Coffee Exporters (EKS) by the Director General of Foreign Trade of the Ministry of Trade.
2. In each coffee export must also be completed with a Coffee Export Approval Letter (SPEK). SPEK is a letter of approval for the export of coffee to all destination countries issued by the Office responsible for trade in the Province / Regency / City. SPEK can also be used for shipping from export ports throughout Indonesia.
3. Besides that, the exported coffee must comply with the quality standards set by the Minister of Trade and must be accompanied by a certificate of origin SKA Form ICO, which is a certificate used as an accompanying document for goods (coffee) exported from all over Indonesia, which proves that the goods (coffee) originated, produced and / or processed in Indonesia.²⁶

3.5 Indonesian Coffee Exports to the United States

The United States is the largest trading country in the world. The United States is also the largest producer country in the world which presents one fifth of global manufacturing output from 500 large companies in the world, 133 of which are located in the US. For Indonesia, the US is one of the third largest trading partners after China and Japan. The US is also the country's largest export of coffee beans in Indonesia.²⁷

The United States is the largest country in consuming coffee and the biggest buyer for industrial products in the world. Even though the value of the Dollar will rise during this time, the value of the Dollar will remain low against the exchange rate of the currency before the recession, causing world demand for cheap industrial products. Although US imports from Canada and Mexico will

²⁶ <https://gaeki.or.id/ketentuan-ekspor-kopi/>.

²⁷ Darman. 2013. *Perdagangan Luar Negeri Indonesia-Amerika Serikat*. Binus Bussiness Review, Volume 4 Nomor 2 Tahun 2013.

continue to dominate the United States Import market, imports of coffee products from Brazil, Vietnam and Colombia even from Indonesia will continue to heat up the competition of world producers. Increasingly ready income from domestic consumers will support import growth, especially coffee products that are of high quality and have high taste, resulting in product durability. As a result, imports of coffee products are expected to continue to rise with an average growth of 5.6% per year reaching 2.7 billion US dollars over 2 years towards 2019.²⁸

Indonesia continues to boost coffee exports to the United States where the coffee production industry in the United States has grown over the past few years, driven by the increasing number of consumers who buy coffee with expensive high-quality flavors and tastes. Even though coffee consumption per capita will grow normally, with an average growth of 12% per year for 5 years to 2017, more and more coffee buyers are premium and durable.

3.6 ¹Barriers to Indonesian Coffee Exports in the United States Market

Although until now ²the United States has remained the main market destination for Indonesia's coffee export trade, Indonesia's current development faces several obstacles. ¹Export barriers originate from within and outside the country. The domestic coffee processing industry is still underdeveloped due to technical, social and economic factors. ¹Barriers to Indonesian coffee exports to the United States, namely:

1. Domestic Constraints

Based on the quality aspect, Indonesia is better known as a cheap coffee source. These low prices are related to the negative image of low quality Indonesian coffee under the quality of coffee from other countries, especially Brazil and Colombia. So far, Indonesia has dominantly produced and exported grade V and VI coffee (low quality coffee). Exporters are currently dealing with regulations or quality

²⁸ Market Brief Produk Kopi", ITPC-Chicago Tahun 2014.

requirements issued by ICO (International Coffee Organization) at the urging of consumer countries such as the United States. The challenges faced today are the provisions / requirements regarding ISO 6673, which are about the maximum water content of 12.5% and the quality that can be exported to a maximum V grade.²⁹

The ICO council meeting recommends improving the quality criteria for low coffee (which cannot be exported) with a moisture content of 12.5%. In the low quality coffee criteria it was determined that the maximum limit of the defect value for arabica was 86 of 300 grams, while for robusta it was 150 per 300 grams. That means for Indonesian grade VI Robusta coffee, it has been considered to have exceeded the low quality coffee criteria due to the deviation exceeding 150 per 300 grams. Meanwhile competing countries in Indonesia do not face significant problems with the provision of these quality provisions.

2. Obstacles from Abroad

Since the 1990s several new corporate-level initiatives have emerged, known as several variations of names, such as Certification of origin, Global environmental regulation, Sustainability regulations, Corporate governance initiatives (Corporate governance initiative, and so on. Public development and debate about sustainable global standards in the field of food and agriculture cannot be separated from the increasingly significant global value chain system (GVC), which is approached from various core perspectives, the global value chain system is an effort to disaggregate the structure of production,

²⁹ Bambang Dradjat, Adang Agustian, dan Ade Supriatna, “Ekspor dan Daya Saing Kopi Biji Indonesia: Implikasi Strategis Bagi Pengembangan Kopi Biji Organik”.

consumption and commodity trading on networks controlled by a corporation (global level).³⁰

In the coffee economy, the new initiative of global environmental governance was initially as evolving through voluntary corporate initiatives agreed upon by stakeholders in the surrounding business network. This means that the consensus is indeed built outside the management of the government organization, so that it does not have to be stated in a regulation that involves too large a country.³¹

But the stakeholders generally have the same concern about consumer health, contamination of fertilizers and pesticides, perspectives on organic agriculture, protection of endangered species, biodiversity and others related to environmental protection and conservation. Then because these stakeholders interact with each other, the commitment of coffee farmers, coffee traders and buyers abroad is getting better. In fact, this global certification or global environmental management has begun to change the structure of the coffee industry more or less in coffee producing countries, specifically in relation to the coffee chain system, from producers to consumers.³²

Originally developed by a project funded by the United States Department of Agriculture (USDA) that links US companies such as Starbucks as buyers and coffee farmers in developing countries as suppliers. Both parties agreed to apply the principles of sustainable agriculture through a more open information exchange, known as the Sustainable Agriculture Information (SAI) Platform, for example in the application of organic agriculture and so on. This rule formulates an alloy for a sustainable agricultural system in a food supply chain,

³⁰ [Http://www.metrotvnews.com/read/analisdetail/2011/05/24/166/1-nisiatif-Korporasi-Global-dalam-Perdagangan-Kopi](http://www.metrotvnews.com/read/analisdetail/2011/05/24/166/1-nisiatif-Korporasi-Global-dalam-Perdagangan-Kopi).

³¹ Ibid

³² Ibid

which is also able to contribute to the preservation of the environment. These two-party rules can still be considered rational because they are monitored by independent non-governmental organizations (NGOs) that they contract.³³

Although Indonesia has experienced some obstacles in entering the United States coffee export market, Indonesia still has opportunities to improve trade by taking advantage of opportunities that will increase the volume and value of its exports.

3.7 The Indonesian Government's Strategy ² in Increasing the Export of Coffee to the United States Market

Coffee products from Indonesia have been well known in foreign markets, the amount of coffee exports has been able to contribute substantial foreign exchange to Indonesia. The export opportunities of Indonesian coffee products are quite large if seen from the demand for coffee exports which continues to increase each year. With this, the Indonesian government must have a strategy to increase coffee export commodities to the United States market.

Following are some of the Indonesian government's strategies for increasing coffee export commodities to the United States market:

- ¹ 1. The government provides information ¹ to local farmers about the coffee processing industry. Where, by providing counseling this will improve the ability of farmers in processing coffee so that they can produce good quality products.
- ¹ 2. The government established a number of specialized institutions or organizations that run coffee exports in Indonesia. This particular institution or organization is the Association of Indonesian Coffee Exporters (AEKI) and the Association of Indonesian Coffee Exporters (GAEKI). Both of these organizations ¹ aim to help exporters and domestic coffee farmers to increase coffee production as well as a

³³ Ibid.

means to help market Indonesian coffee products both domestically and abroad and also monitor the development of Indonesian coffee exports in foreign markets.

3. The Indonesian government seeks to encourage the export of Indonesian processed coffee products by diversifying its products. With this diversification, coffee industries in Indonesia are expected to be able to innovate on processed coffee products so that they can become superior commodities that have high competitiveness in the international market and produce diverse processed coffee products to attract global coffee consumers and also increase export of processed coffee products.

4. Conclusion

Indonesia is one of the largest coffee producers in the world, its geographical location is very strategic, making Indonesia a superior country in its plantation sector, one of which is coffee. Coffee is a very profitable export commodity in increasing the country's foreign exchange income. No wonder coffee export commodities are one of the sectors of concern to the Indonesian government.

Indonesian coffee exports to the United States have fluctuated from year to year. The various obstacles experienced by the Indonesian government in the export of coffee to the United States market include domestic obstacles and obstacles from abroad. Domestic barriers in the form of exported coffee are of low quality coffee so the Indonesian government must deal with ICO (International Coffee Organization) and must follow the terms and conditions in coffee exports. And barriers from abroad where there are global standards in coffee export production.

The Indonesian government made a strategy to increase commodity exports to the United States. With a variety of obstacles, the coffee export commodity to the United States market continues to increase and until now the number of coffee enthusiasts in the world is increasing, the United States is one of them.

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¹⁸ Robert Gilpin 2001. Global Politic Economy: “Understanding the International Economic Order” New Jersey: Princeton University Press. hlm. 44-45.

¹¹ Roselyne Hutabarat, Transaksi Ekspor Impor, Jakarta, Erlangga, 1989, edisi kedua, Hlm 2.

¹² Schumacher, 2012. “Adam Smith’s theory of absolute advantage and the use of doxography in the history of economics”, Hlm 58-59.

²³ Tambunan, T. 2004. Globalisasi dan Perdagangan Internasional. Penerbit Ghalia Indonesia. Bogor.

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²⁷ Khaerul Mahesa Priyanto, “Posisi Daya Saing Serta Penentu Dari Ekspor Kopi Di Indonesia”.

²⁵ Lempira Christy Elisha, “Analisis Ekspor Kopi Indonesia Ke Amerika Serikat Dengan Pendekatan *Error Correction Model* (ECM) Tahun 1981-2013”.

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